

# Alaska Marine Trades and Services

## Business Retention and Expansion Survey Results



Conducted by: Alaska Department of Commerce,  
Community, and Economic Development

Date: April 2013

## Contents

Survey Background and Information .....	3
Businesses Categories and Activities.....	5
Business Categories .....	5
Business Longevity.....	7
Location of Primary and Secondary Ports or Harbors .....	8
Marine Trades Survey Results.....	9
Workforce Profile.....	10
Customer Base .....	11
Growth Expectation .....	12
Constraints on Growth.....	12
Ports and Harbors.....	15
Workforce Profile.....	16
Customer Base .....	16
Growth Expectations.....	16
Constraints on Growth.....	17
Marine Goods Suppliers and Related Businesses .....	19
Workforce Profile.....	20
Customer Base .....	21
Growth Expectations.....	22
Constraints to Growth.....	23
Appendix I – Alaska Marine Trades Business Survey .....	25
Appendix II – Verbatim Survey Responses on the Three Greatest Challenges to Your Business .....	34
Appendix III – Verbatim Survey Responses on the Three Greatest Challenges to Your Industry .....	38
Appendix IV – Category Comparison.....	42

## Survey Background and Information



**An aerial view of Cordova, Alaska. Courtesy of the Alaska Department of Commerce, Community & Economic Development's Division of Community & Regional Affairs (DCRA).**

The marine trades and services sector is broadly defined as those businesses that work with and in support of maritime trade and transportation. Recently a confluence of events prompted the Division of Economic Development (DED) to examine the scope and status of the marine trades and service sector.

- The Alaska Ship and Drydock in Ketchikan continues expansion of operations and capabilities, and calls for a state-led workforce development program to develop skilled professionals for the marine trades sector.
- The Coast Guard Authorization Act of 2010 includes provisions for the replacement of large fishing vessels eligible to participate in the Bering Sea Pollock fishery. Previously, federal law placed a moratorium on replacing the vessels.
- Recent economic development initiatives call for supporting buyer and supplier networks as an important means to bolster economy activity.
- The State and communities are making investments in port, harbor, and ship lift facilities to enable them to service larger vessels and adapt other services to serve changing industry needs.

- Coastal Villages Region Fund, a Western Alaska Community Development Quota group, announced its intention to homeport its large at-sea fish processing vessels in Seward.
- Ports and harbors across Alaska are increasing marketing efforts to customers in the Lower 48.
- Interest in the Arctic as for major shipping corridor with offshore drilling capacity continues to increase.

Review of these events suggests that maritime trade and transportation and the marine trades and services sector offer potential economic growth in Alaska. In order to take advantage of new opportunities, Alaska's marine trades and service businesses must prepare to compete with ports and harbors from other jurisdictions.

An economic development business retention and expansion (BRE) program asserts working with existing businesses is a cost effective and efficient method to foster economic growth. One of the first steps in working with and supporting a sector is to understand the threats and constraints in the business environment. A step to help shape this understanding is performing a BRE survey.

The DED developed a BRE survey in March 2012, with the help of several members of the Alaska Association of Harbormasters and Port Administrators (AAHPA), and members of the marine trades industry. The twenty- question survey was open to respondents from April through September 2012, and administered through the online survey platform Survey Monkey ([www.surveymonkey.com](http://www.surveymonkey.com)). A copy of the questionnaire is provided in Appendix I.

Statewide notices were sent through key contacts including harbormasters, port directors, chambers of commerce, associations, regional development associations, and other groups. The total number of target businesses is likely higher than 15,000. Aside from mailing addresses obtained through business licensing information, there is not another direct method including phone or electronic mail, to reach the targets. Aside from the expense, direct mailing surveys historically have a low success rate. One hundred twenty-seven surveys were completed.

While the number of responses from each community is too low to draw absolute conclusions about local business environments, the information provides good input to build on local understanding and serves an indicator of business opinions.

## Businesses Categories and Activities

One hundred twenty-seven respondents classified their business through a list of activities, and identified 2.65 distinct business activities per business, on average.

### Business Categories

The business activities were grouped into five basic categories: marine trades, marine goods suppliers, marine-related businesses and services, marine-related technical services, and government, non-profit, education and research. Table 1 provides the number of respondents assigned to each business category. Survey results indicated businesses often work across several categories. For instance, a marine trades business may also sell goods or provide a separate related service. If any conclusions may be drawn from this review, it is that these businesses tend to conduct a wide array of activities and are generally diversified.

Detailed analysis of each respondent determined which broad category was a “best fit” for the business. Based on this analysis, the number of businesses fell into the five categories as:

**Table 1. Business Category Count**

Business Category	Number
Marine-Related Businesses and Services	53
Marine Trades	30
Government, Non-Profit, Education, and Research	20
Marine-Related Technical Service	16
Marine Goods Supplier	8

This report focuses on marine trades, goods suppliers, harbormasters, and marine-related businesses and services.



Sportfish lodges at Elfin Cove. Courtesy of DCRA.

**Table 2. Number and Type of Business Activities by Business Category**

<b>Marine Trades Businesses</b>			
Business Activities	# of Responses	Business Activities	# of Responses
Boat building / repair	17	Boat cleaning/detailing	3
Carpentry	4	Boat lettering & graphics	1
Electrical repair	9	Carpenting / interior / upholstery	4
Engine repair	15	Cleaning (tank, boilers, bilges)	5
Fiberglass repair	7	Dock and marine construction	3
Manufacture sewn products for fisheries and marine application	1	Metal/machine shops - metalwork, fabrication, welding	13
Hydraulics	5	Shipbuilding / repair	6
Fishing gear (includes net makers)	4	Wood repair	6

<b>Marine Goods Suppliers</b>			
Business Activities	# of Responses	Business Activities	# of Responses
Boat building supplies / chandlers	6	Fishing bait	3
Engine sales	7	Fuel	8
Propellers	5	General hardware	4
Marine electronics & communications	11	Ice	5
Safety equipment/ supplies	4		

<b>Marine-Related Businesses and Services</b>			
Business Activities	# of Responses	Business Activities	# of Responses
Commercial fishing	17	Fish buyers & processors	10
Boats for hire IFQ/charter/tender	18	Tug & barge	11
Salvage	5	Boat/gear hauling & storage	12
Shipping	10	Port agent	5
Laundry / bathrooms	2	Tour guide	6
Aquaculture / mariculture	3	Passenger transportation	4
Longshore worker / stevedore	2	Cold storage	2

<b>Marine-Related Technical Services</b>			
Business Activities	# of Responses	Business Activities	# of Responses
Brokers (permits/boats/IFQ)	1	Engineering firms	4
Marine surveyor	4	Financial institutions	6
Marine architecture	3	Environmental and safety consulting	3
Business and legal consulting	3	Mining and minerals related companies	2

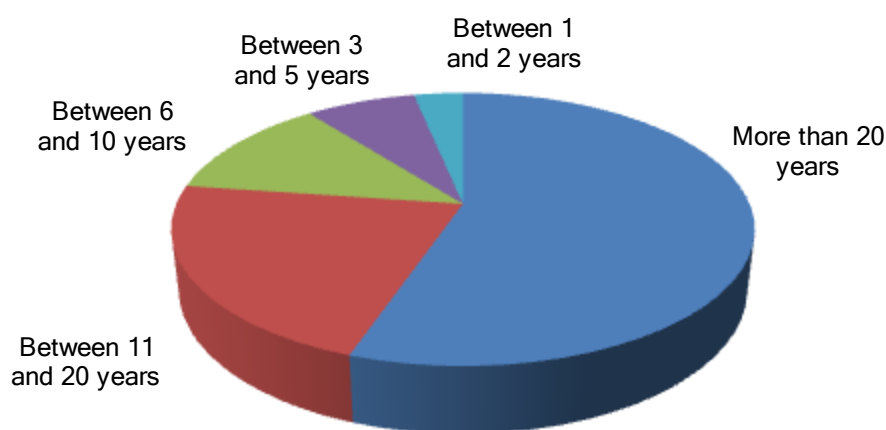
<b>Government, Non-Profit, Education, Research</b>			
Business Activities	# of Responses	Business Activities	# of Responses
USCG licensed officers (deck)	5	Education and training	6
USCG licensed officers (engineer)	1	Marine organizations / associations	4
USCG licensed seaman (ordinary or able bodied)	1	Non-profit	12
USCG licensed engineer rating	1	Harbormaster	10
Government agency	7	Research	1
Other federal offices	2		

## Business Longevity

Respondents were asked to select a range of years they have been in business. The majority of respondents operated for more than eleven years (77 percent). An estimated average age for all businesses was 16.3 years.<sup>1</sup>

Figure 1. Age of Businesses in Survey

## Business Duration of Respondents



---

<sup>1</sup> This analysis assigned a mean “years worked” for each range given. The mean years worked for each range was “More than 20 = 21 years”, “Between 11 and 20 years” = 15.5 years, “Between 6 and 10 years” = 7.5 years, “Between 3 and 5 year” = 4 years, and “Between 1 and 2 years = 1.5 years. The mean years worked were multiplied by the number of responses for each range, summed and then divided by the total number of responses.



## Location of Primary and Secondary Ports or Harbors

Based on their level of business activity, businesses identified their primary and secondary ports or harbors. A primary port or harbor was defined as an area of “most activity, headquarters, or other.” Table 3 provides the respondents primary and secondary ports. Some respondents gave regional descriptors (e.g. “Western Alaska”), while others noted statewide activity. In several instances where the respondent indicated statewide activity, a review of the company led to changing the primary port to “Statewide.” These companies were often service companies like marine surveyors, educators, and consultants, where the primary port was their office headquarters and not their area of activity.

**Table 3. Primary or Secondary Ports or Harbors**

Port or Harbor	Primary	Secondary
Adak	0	1
Alitak	0	1
Anchorage Port	3	7
Angoon	1	1
Baranof	0	1
Bethel	2	0
Bristol Bay Borough/Naknek	3	2
Cordova	13	1
Craig	4	1
Dillingham	1	1
Edna Bay	0	1
Elfin Cove	3	1
Excursion Inlet	0	1
False Pass	1	0
Haines	4	6
Hollis	1	1
Homer	8	6
Hoonah	1	3
Hydaburg	0	1
Juneau	8	5
Kake	1	3
Kasilof	0	1
Kenai	0	3
Ketchikan	6	11
King Cove	0	1
Klawock	0	1
Kodiak	4	5

Port or Harbor	Primary	Secondary
Kotzebue	1	3
Larsen Bay	0	2
Naukati	0	2
Nikiski	0	1
Nome	11	1
Northern Prince of Wales Island	0	1
Old Harbor	1	1
Ouzinkie	0	1
Pelican	1	1
Petersburg	14	2
Port Lions	0	1
Port MacKenzie	1	0
Sand Point	0	1
Seward	7	6
Sitka	10	6
Skagway	6	3
Southeast region	0	2
Statewide	6	2
Tenakee	0	1
Thorne Bay	0	2
Unalaska/Dutch Harbor	2	3
Valdez	0	2
Western Alaska Region	0	1
Whittier	4	4
Wrangell	1	6
Yakutat	0	1
Yukon-Kuskokwim Delta	0	1



## Marine Trades Survey Results

The thirty businesses placed in the marine trades business category came from 14 primary locations (Table 4 at right). These marine trades businesses engaged in a number of activities. The most prevalent is machine shops followed by engine repair and boat building, as summarized in Table 5 on page 10.

Marine trades businesses also functioned in some of the related business categories, including selling marine-related goods. The average number of business activities reported by marine trades businesses was 4.4 per respondent. This is almost twice as many business activities as average number of business activities for all survey respondents (2.65). This indicates marine trades businesses are well diversified in the number of business activities they provide clients.

**Table 4. Marine Trades Business Locations**

Primary Location	Number
Anchorage Port	1
Cordova	1
Craig	1
Elfin Cove	1
Haines	2
Homer	3
Ketchikan	1
Kodiak	3
Nome	2
Petersburg	6
Seward	3
Sitka	4
Skagway	1
Unalaska/Dutch Harbor	1
<b>Total</b>	<b>30</b>



Boat cleaning at the Kodiak Shipyard. Photo courtesy of the City of Kodiak, Port and Harbor website.

**Table 5. Marine Trades Business Activities**

Marine Trades Business Activities		Other Business Activity Categories	
Business Activity	No.	Business Activity	No.
Boat building / repair	11	Boat building supplies / chandlers	5
Boat cleaning /detailing	1	Engine sales	6
Boat lettering & graphics	1	Marine electronics & communication	6
Carpentry	4	Propellers	5
Carpeting / interior / upholstery	4	Safety equipment / supplies	3
Cleaning (tank, boilers, bilges)	4	General hardware	2
Dock and marine construction	3	USCG licensed officers (engineer)	1
Electrical repair	9	USCG licensed engineer rating	1
Engine repair	11	Engineering	1
Fiberglass repair	6	Marine architecture	1
Fishing gear (includes net makers)	4	Commercial fishing	1
Hydraulics	5	Boat/gear hauling & storage	2
Manufacture sewn products for fisheries and marine application	1	Salvage	3
Metal / machine shops - metalwork, fabrication, welding	13	Tug & barge	3
Shipbuilding / repair	6	Laundry / bathrooms	1
Wood repair	5	Tour guide	1
		Cold storage	1

## Workforce Profile

Table 6 summarizes the employment profile of businesses in the marine trades category. The average number of full-time and part-time employees was 8.1 and 2.3, respectively. Businesses projected almost 60 percent of

**Table 6. Marine Trades Employee Profiles and Quality of Labor Pool**

Number of Employees	Full Time	Part Time
None	0	16
Less than 3	14	10
Between 4 and 10	7	2
Between 11 and 20	3	1
More than 20	6	1
Employee Type	Percent	Quality of Local Labor Pool*
Professional / Management	20%	Fair to Good
Skilled	59%	Poor to Fair
Semi-skilled	15%	Fair to Good
Unskilled	3%	Good to Fair
Clerical	10%	Fair to Good

Average Number of Full Time Employees = 8.1

Average Number of Part Time Employees = 2.3

Employee Type	Percent
Skilled	59%
Professional / Management	20%
Semi-skilled	15%
Clerical	10%
Unskilled	3%

\* Respondents were asked to rate the quality of the local labor pool from Poor to Very Good. The possible responses were weighted on a scale of Poor (-1), Fair (0), Good (1), and Very Good (2). The average rating for Skilled employees was -0.7, which placed it closer to "poor" on the spectrum between Poor and Fair.

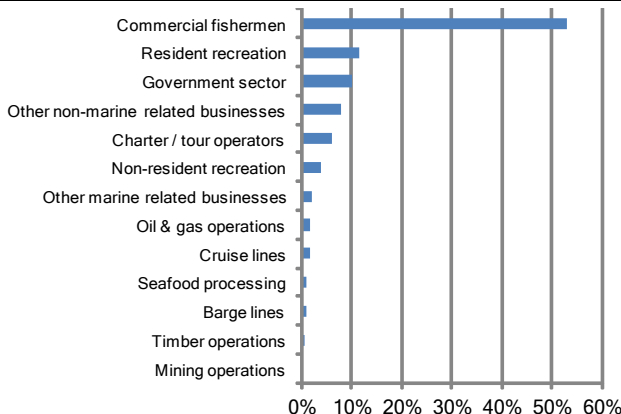
their workforce was skilled labor with another 15 percent listed as semi-skilled. Twenty percent of the workforce was devoted to professional and management employees.

## Customer Base

Marine trades businesses provided information on the type of customer they typically work with and where customers are from. The greatest number of customers of marine trades businesses are commercial fishermen. Resident recreational users and government rank second and third, respectively. Table 6 provides the customers and estimated percentage of businesses.

**Table 6. Marine Trades Customer Base by Activity**

Customer Base	Percent
Commercial fishermen	53%
Resident recreation	12%
Government sector	10%
Other non-marine related businesses	8%
Charter / tour operators	6%
Non-resident recreation	4%
Other marine related businesses	2%
Oil & gas operations	2%
Cruise lines	2%
Seafood processing	1%
Barge lines	1%
Timber operations	1%
Mining operations	0%



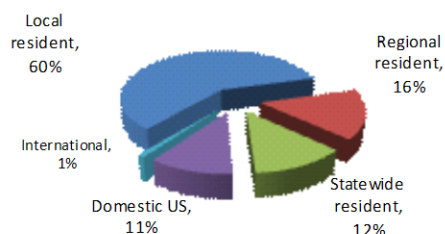
Most of the customer base was local clientele at 60 percent. An additional 16 percent more of the customer base was derived regionally. Alaska residents totaled 88 percent of the customer base with 12 percent coming from out of state (See Table 7).

When asked if they had difficulty finding local clientele, 22 of 30 marine trades businesses said they had little to no difficulty. Only one respondent indicated it was a significant problem.

These are important findings when viewed against other sector statistics. The Alaska Commercial Fisheries Entry Commission lists the 2011 statewide gross fishing earnings for Alaska permit holders at 42 percent of the total fisheries value, and only 20 percent of the total volume harvested.<sup>2</sup> We learned through the survey that Alaska commercial fishermen make up a majority of the marine trades customer base. This suggests a significant amount of the existing shipyard work and maintenance

**Table 7. Marine Trades Geographic Location of Customers**

Customer Base	Percent
Local resident	60%
Regional resident	16%
Statewide resident	12%
Domestic US	11%
International	1%



<sup>2</sup> The Alaska Commercial Fisheries Entry Commission provides annual earning and volume figures by state, town, and census area for all of the Alaska permitted fisheries. The 2011 total harvest volume was 4.852 billion pounds and ex-vessel value was \$1.758 billion. Alaskans were reported to harvest and earn 1.011 billion pounds and \$742 million, respectively.

on commercial fishing vessels is not performed in Alaska. Many Alaska ports have expanded their capacity to accommodate and service large vessels in an effort to capture more of this activity.

Commercial fishing aside, there remains other significant business activity that could be a source of business growth. Vessels in the visitor industry, transportation, oil and gas, and other sectors remain to be tapped. Alaska's ability to capture more of the economic activity in these sectors would prove valuable for our marine trades industry.



An aerial photo of the Alaska Ship and Drydock in Ketchikan with proposed expansion sketches. Photo from Vigor Industrial website.

## Growth Expectation

The marine trade respondents expressed strong interest in growth, with 87 percent either somewhat or very interested. Of these businesses, those that are very interested in growth indicate a lack of customers is more of a problem than those businesses less interested in growth. Those very interested in growth were also the most interested in identifying local customers.

The survey sought to learn about growth expectations related to overall business size, plant size, and employment numbers. The businesses interested in growth expected their overall business size to grow at moderate to significant levels over the next 10 years. Those businesses very interested in growth held expectations that plant size and employment levels would both find moderate to significant growth. Table 9 provides a weighted average of the overall expectations for growth of the marine trades category.

**Table 9: Marine Trades Expectations for Future Growth**

Marine Trades Businesses Expectation for Future Growth					
Expected Growth in:	Response Range			Average survey responses*	
Current Year	Moderate to no growth			0.80	
5 Year	Moderate to significant growth			1.13	
10 Year	Moderate to significant growth			1.07	
Plant / Facility Size	Moderate to no growth			0.90	
Employment Quantity	Moderate to no growth			0.93	
* Survey respondents indicated their expectation of growth for their business on a impression scale from "significant decline" to "significant growth". Responses were weighted ranging from (-2) for "significant decline" to (2) for "significant growth".					
Survey answer	Significant Decline	Moderate Decline	Remain the Same	Moderate Growth	Significant Growth
Weight	-2	-1	0	1	2
Survey respondents did not know the responses would be assigned a numerical value. Knowledge of this treatment may have chanded the response.					

## Constraints on Growth

There are a number of factors that can improve or inhibit a business's ability to grow. The respondents were asked questions related to business environment conditions. Table 10, on the following page, provides an overview of all of the responses.

Concerns about workforce easily topped the list as the major constraint for marine trades businesses. Businesses were polled about a range of workforce challenges and determined the quality of the workforce was the most pressing concern with 23 of 30 responses listing it as a moderate or significant challenge to business activity. In the question of recruitment challenges, inadequate skills again ranked as a top concern.

Among the biggest challenges to business viability was available land to expand, government regulations, and transportation costs. Regarding the costs and availability of utilities, communication and transportation, only transportation costs appeared a huge barrier. Availability of these essential business elements were not viewed as an impediment to growth.

**Table 10. Marine Trades Challenges and Threats to Business Activity**

Challenges to Business Activity				
(No of Respondents)				
Topic	Significant Challenge	Moderate Challenge	Little or No Challenge	Don't Know
Workforce Quality	12	11	5	2
Workforce Availability	12	10	7	1
Government Regulation	10	10	8	1
Financial Resources	6	15	7	1
Taxation	7	10	11	1
Fisheries Management	2	10	11	4

Workforce Recruitment Challenges				
Topic	Significant Problem	Moderate Problem	Little or No Problem	Don't Know
Skills Not Adequate	16	7	4	2
Affordable Housing	15	7	6	2
Labor Supply Shortage	11	12	4	3
Available Housing	13	6	9	2
Distance to Job Site	4	6	16	2

Threats to Business Viability				
Topic	Severely Threatens	Somewhat Threatens	Little or No Threat	Don't Know
Available land to expand	10	12	8	0
Workforce Quality	6	15	8	1
Government Regulation	8	11	10	1
Transportation Cost	5	16	8	1
Workforce Quantity	6	13	9	2
Workforce Cost	6	10	12	2
Utilities/Services Cost	8	6	16	0
Access to Capital	3	15	11	1
Environmental Issues	5	9	14	2
Local Taxes	5	8	17	0
Business Activity in your area (3 - 5 years)	0	16	11	2
Federal/State Taxes	6	5	18	1
Lack of Available Marketing Dollars	2	12	14	2
Utilities/Services Availability	4	6	20	0
Telecommunications Cost	2	10	18	0
Business Activity in your area (next 2 years)	0	13	16	0
Competition	1	11	17	1
Transportation Availability	3	7	19	0
Product Demand	2	7	18	3
Telecommunications Availability	1	8	20	1
Production Process	0	7	17	4

Each section is sorted by greatest to least constraint.





False Pass dock. Photo courtesy of DCRA.

## Ports and Harbors

The survey received ten responses from harbormasters and port directors from around the state representing just under a third of the harbors and ports listed as members of AAHPA. Table 11.

Depending on the location, harbors provided several services, as summarized in Table 12. Boat and gear storage was a common service, along with boat repair and shipping/tug and barge. Other activities included fuel, ice, laundry/restroom services, and financial services.

**Table 11. Primary Ports of Operation**

Primary Location	#
Bethel	1
Haines	1
Homer	1
Hoonah	1
Juneau	1
Ketchikan	1
Kodiak	1
Nome	1
Petersburg	1
Skagway	1

**Table 12. Harbor and Port Activities**

Business Activities	#
Boat/gear hauling and storage	4
Boat building / repair	3
Shipping	2
Fuel	1
Ice	1
Fish buyer	1
Tug & barge	1
Port agent	1
Laundry /bathrooms	1
Financial	1



## Workforce Profile

Harbors employed on average just over seven full-time workers and were in the practice of hiring even more part-time employees, almost eight on average. No responding harbors indicated more than 20 full time employees. Table 13.

## Customer Base

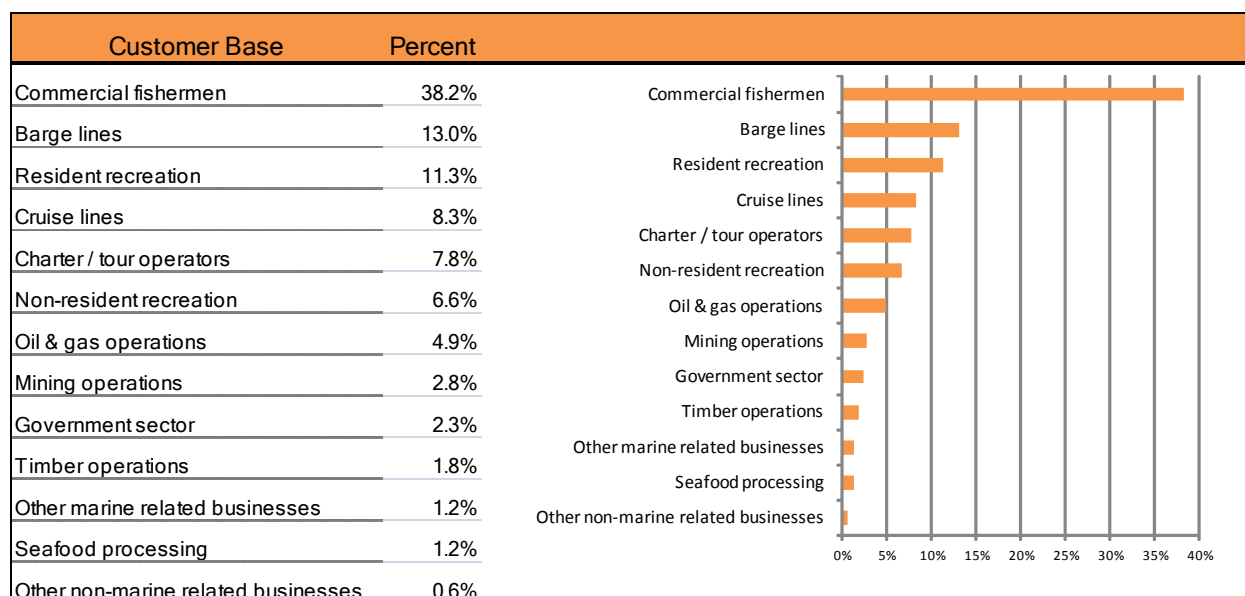
Harbormasters and port directors reported a different clientele than the marine trades sector. While commercial fishermen are the harbor's

most prevalent customer at 38 percent of the total business, barge lines and cruise lines make up a substantial portion of their business. Table 14.

**Table 13. Harbor and Ports Employee Profile**

Number of Employees	Full Time	Part Time
None	0	0
Less than 3	3	3
Between 4 and 10	3	3
Between 11 and 20	2	1
More than 20	0	1
Weighted Average Number of Full Time Employees = 7.25		
Weighted Average Number of Part Time Employees = 7.94		

**Table 14. Harbor and Port Customer Base by Activity**



The customer base information from the harbormasters and port directors provides a good profile on the nature of harbor activity in the state and shows what business opportunities exist for the marine trades sector if it diversified beyond commercial fishing customers. A good example is the barge line and cruise lines business. The ports and harbors customer base information demonstrates these businesses are a large part of the activity, although they are not a substantial customer for marine trades businesses.

## Growth Expectations

Ports and harbors are expecting growth in the future, as depicted in Table 15. Over the next five to ten years, harbormasters are expecting moderate to significant growth in business size, including the size of the harbors and ports. These respondents are also projecting greater numbers of employees needed to operate the facility.

## Constraints on Growth

As harbormasters anticipate future growth, it is important to understand possible constraints. Harbormasters and port directors reported their biggest concerns were a lack of capital, government regulations, and workforce related issues. Available land and the high cost of transportation were also noted as constraints on growth.

Harbormasters indicated financial resources were a challenge to business activity and access to capital was a threat to business viability. This makes sense as governments constantly stretch budgets to meet current operating needs. Harbors will need to find other means to generate revenues. Government regulations, likely linked to permitting, ranks as a moderate concern for business viability. Workforce concerns relate to inadequate skills and a shortage of available housing. Table 16 summarizes these challenges.

**Table 15. Harbormaster's Expectations on Growth**

Harbormaster's Expectation for Future Growth					
Expected Growth in:	Response Range			Average survey responses*	
Current Year	No growth to moderate			0.50	
5 Year	Moderate growth			1.00	
10 Year	Moderate to significant growth			1.40	
Plant / Facility Size	Moderate to significant growth			1.40	
Employment Quantity	Moderate to no growth			0.90	
* Survey respondents indicated their expectation of growth for their business on a impression scale from "significant decline" to "significant growth" . Responses were weighted ranging from (-2) for "significant decline" to (2) for "significant growth".					
Survey answer	Significant Decline	Moderate Decline	Remain the Same	Moderate Growth	Significant Growth
Weight	-2	-1	0	1	2
Survey respondents did not know the responses would be assigned a numerical value. Knowledge of this treatment may have changed the response.					



A view of Pelican's boat harbor. Photo courtesy of DCRA.

**Table 16. Challenges and Threats to Business Activity**

Challenges to Business Activity				
Topic	Significant Challenge	Moderate Challenge	Little or No Challenge	Don't Know
Financial Resources	4	3	1	1
Workforce Quality	3	4	5	1
Government Regulation	2	4	4	0
Taxation	1	3	3	2
Workforce Availability	2	2	5	1
Fisheries Management	0	5	3	1

Workforce Recruitment Challenges				
Topic	Significant Problem	Moderate Problem	Little or No Problem	Don't Know
Affordable Housing	6	1	3	0
Skills Not Adequate	4	3	3	0
Available Housing	4	2	4	0
Labor Supply Shortage	1	6	3	0
Distance to Job Site	0	2	4	0

Threats to Business Viability				
Topic	Severely Threatens	Somewhat Threatens	Little or No Threat	Don't Know
Access to Capital	5	3	2	0
Workforce Quality	2	6	2	0
Transportation Cost	3	4	3	0
Available land to expand	3	4	3	0
Environmental Issues	2	4	4	0
Government Regulation	3	1	5	1
Lack of Available Marketing Dollars	2	3	4	0
Workforce Quantity	1	5	4	0
Workforce Cost	1	5	4	0
Utilities/Services Availability	1	4	4	1
Transportation Availability	1	4	4	0
Utilities/Services Cost	1	4	5	0
Telecommunications Availability	1	2	7	0
Telecommunications Cost	1	2	7	0
Business Activity in your area (3 - 5 years)	0	3	6	1
Federal/State Taxes	0	3	7	0
Local Taxes	0	3	7	0
Production Process	0	2	6	2
Business Activity in your area (next 2 years)	0	2	7	1
Competition	0	2	8	0
Product Demand	0	2	8	0

Each section is sorted by greatest to least constraint.



Bait and gear shop in Coffman Cove on Prince of Wales Island. Photo courtesy of DCRA.

## Marine Goods Suppliers and Related Businesses

Almost half of the survey respondents (61) were classified as marine goods suppliers or marine-related businesses and services. A summary of respondent locations is provided in Table 17. Marine goods suppliers sold items like fuel, marine communications and electronics, and marine-related goods. These businesses reported performing marine trades business activities such as boat building and engine repair. In total, the survey collected information from eight respondents.

Marine-related businesses worked in commercial fishing, charter operations, shipping and transportation, gear storage, and fish buying. The crossover activities generally relate to marine trades or goods supply. The business environment for the marine goods suppliers and related businesses is important to understand because they make up a large portion of current or

Table 17. Marine Goods Suppliers and Related Locations

Primary Location	#
Anchorage	1
Angoon	1
Bristol Bay Borough / Naknek	2
Cordova	11
Craig	2
Elfin Cove	1
Haines	1
Hollis	1
Homer	3
Juneau	3
Kake	1
Ketchikan	2
Kotzebue	1
Nome	5
Old Harbor	1
Pelican	1
Petersburg	6
Port MacKenzie	1
Seward	2
Sitka	5
Skagway	4
Statewide	1
Unalaska / Dutch Harbor	1
Whittier	4

potential clients of the marine trades professions. Therefore, addressing the business environment constraints for marine-related businesses creates a more stable environment for marine trades businesses. Table 18.

**Table 18. Marine-related Businesses - Business Activities**

Marine Related Businesses and Services		Marine Goods Suppliers	
Business Activity	#	Business Activity	#
Commercial fishing	16	Boat building supplies / chandlers	1
Boat/gear hauling & storage	4	Engine sales	1
Boats for hire IFQ/charter/tender	18	Marine electronics & communications	4
Fish buyers & processors	8	Safety equipment / supplies	1
Salvage	1	Fuel	3
Shipping	8	General hardware	2
Tug & barge	5	Ice	1
Port agent	4		
Aquaculture / mariculture	3		
Tour guide	5		
Longshore worker / stevedore	2		
Cold storage	1		
Mining and minerals	2		
Passenger transportation	4		

Other Business Activity	#	Other Business Activity	#
Boat building / repair	1	Boat building / repair	1
Engine repair	1	Boat cleaning/detailing	1
Fiberglass repair	1	Engine repair	2
Wood repair	1	Government agency	1
Fishing bait	3	Engineering	1
Fuel	3	Boat/gear hauling & storage	1
Ice	3	Tug & barge	1
USCG licensed officer	5		
USCG licensed seaman	1		
Government agency	2		
Non-profit	6		
Other federal agency	1		

### Workforce Profile

Businesses that responded in this category tend to have a smaller workforce than others and relied almost as much on part-time workers (5.3 employees) as full-time (5.9 employees). Part-time workers typically represent seasonal work or as needed. Part of the low full-time numbers may relate strongly to the large number of commercial fishermen in this sector. Small boat commercial fishermen generally have crews between one to four people, and employ crew on a seasonal basis.

This category also noted the need for less skilled workers than the marine trades category. These businesses tend to need more professional / management, semi-skilled and unskilled workers than other categories.

Data also suggests contrasting needs for skilled workers between these two categories and the marine trades category. Marine trades businesses rated the quality of the skilled labor pool as “poor to fair” while the marine goods and related businesses rated it as “fair to good”. This suggests the two sectors require different skill sets for employees.

## Customer Base

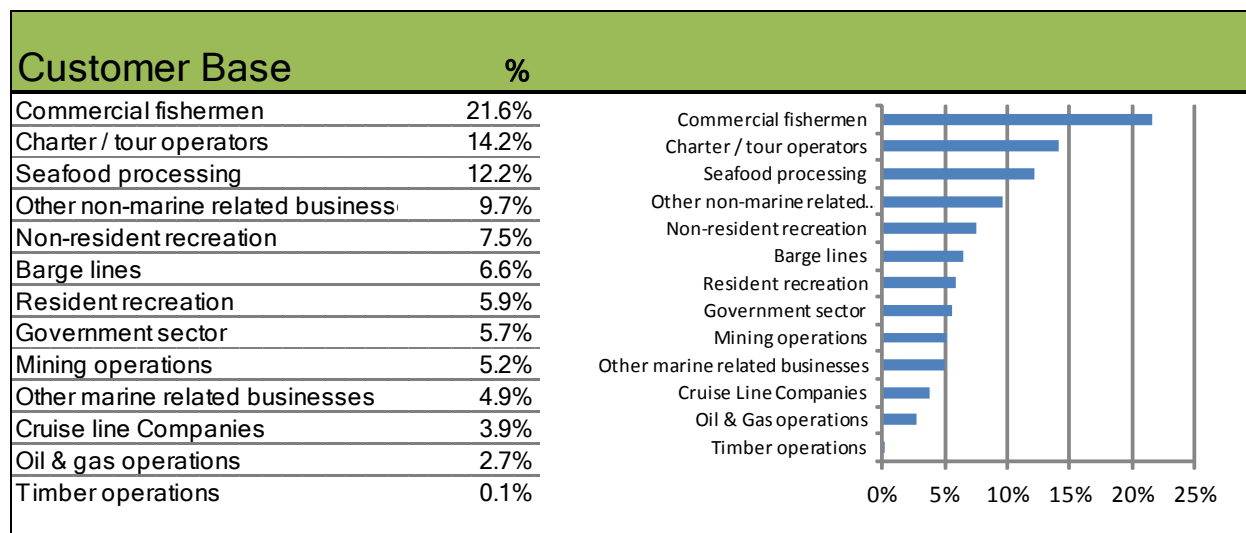
The customer mix for these categories was diverse. Suppliers listed all the customer categories except for timber operations and other non-marine-related businesses. The marine-related businesses and services were even more diverse with all customer categories.

There are key differences between the two categories. Marine goods suppliers listed the non-marine-related business, government sector, and mining operations as

**Table 19. Marine Goods and Related Businesses & Services: Employee Profile**

Number of Employees	Full Time	Part Time
None	13	12
Less than 3	27	28
Between 4 and 10	14	9
Between 11 and 20	3	6
More than 20	4	5
Weighted Average Number of Full Time Employees = 5.9		
Weighted Average Number of Part Time Employees = 5.3		
Employee Type	%	Quality of Local Labor Pool*
Professional / Management	26%	Fair to Good
Skilled	37%	Fair to Good
Semi-skilled	19%	Fair to Good
Unskilled	12%	Fair to Good
Clerical	5%	Fair to Good

**Table 20. Marine Goods and Related Business and Services - Customer Base by Activity**





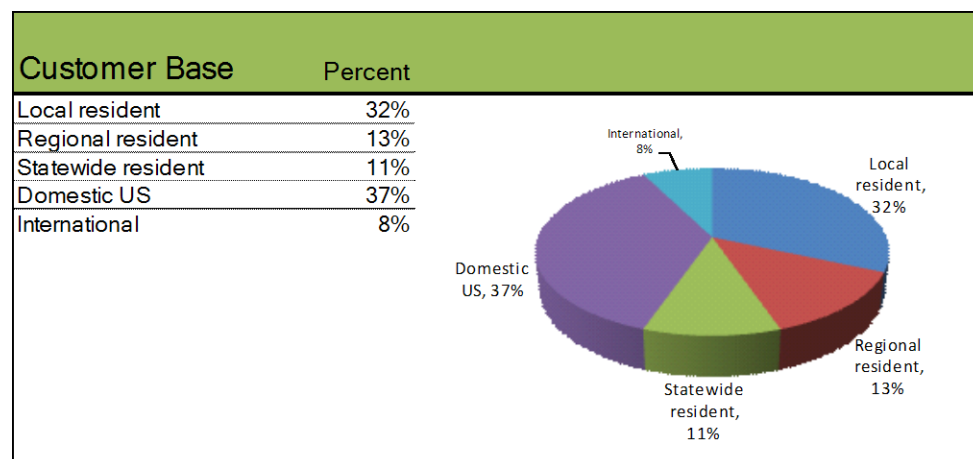
their biggest customer. Marine-related businesses listed commercial fishermen, charter operators, and seafood processors as their business customers. It is interesting to note a number of the respondents were commercial fishermen, which

adds seafood processors to the customer category.

Unlike the other categories of businesses, this group's customer locations were diverse with much more non-Alaska companies. Results indicate 45 percent of the customer base

was with non-Alaska and international companies. This group showed the lowest reliance on local customers with only 32 percent.

**Table 21. Marine-related Businesses - Geographic Residence of Customers**



### Growth Expectations

This group of businesses demonstrated a strong interest in growth with 81 percent indicating "somewhat to very interested." However, strong *interest* in growth is mitigated by modest *expectations* of growth. Expectations of business size growth over the next five to ten years suggested less than moderate growth, while expectations on plant/facility size and increased employment were slightly positive. Table 22 summarizes these responses.

**Table 22. Growth Expectations for Marine-Related Businesses**

Expectations for Future Growth					
Expected Growth in:	Response Range		Average survey responses*		
Current Year	No growth to moderate		0.16		
5 Year	Moderate growth		0.74		
10 Year	Moderate to significant growth		0.67		
Plant / Facility Size	Moderate to significant growth		0.38		
Employment Quantity	Moderate to no growth		0.38		
* Survey respondents indicated their expectation of growth for their business on a impression scale from "significant decline" to "significant growth". Responses were weighted ranging from (-2) for "significant decline" to (2) for "significant growth".					
Survey answer	Significant Decline	Moderate Decline	Remain the Same	Moderate Growth	Significant Growth
Weight	-2	-1	0	1	2
Survey respondents did not know the responses would be assigned a numerical value. Knowledge of this treatment may have changed the response.					

Reasons for the differences in growth expectations versus the marine trades businesses could be linked to a more competitive business environment. When asked if a lack of customers was currently a problem for their businesses, twenty-two of the thirty marine trades businesses, or 73 percent, said it was little to no problem. With the marine goods suppliers and related businesses, only 41 percent reported it was little to no



problem.

### **Constraints to Growth**

The most significant concern among this group was government regulations. When asked if it is a challenge to business activity, “government regulations” ranks as the most important by far. When asked if government regulations were a threat to business viability, again this group offered it as the greatest concern. Upon closer review of the businesses indicating it was a significant challenge, it was the commercial fishing and charter vessel operators. Both of these groups are highly tied to resource management issues and reliant on government decisions for allocation purposes. Fisheries management as a category ranked as a moderate to significant challenge for respondents.

Issues related to workforce development did not rise to the same level of concern for this group. Affordable housing was the highest ranked problem. Skills and labor supply, while a moderate challenge to businesses, did not have the same high rankings compared to the marine trades sector.

Somewhat in conflict with assumptions made in the “Growth Expectations” section, when asked if “competition” was a threat to business viability, this group ranked it fairly low, as indicated in Table 23.



Old processing infrastructure in South Naknek. Photo courtesy of DCRA.

**Table 23. Marine Goods and Related Businesses and Services: Challenges and Threats to Business Activity**

Challenges to Business Activity				
Topic	Significant Challenge	Moderate Challenge	Little or No Challenge	Don't Know
Government Regulation	27	23	9	0
Fisheries Management	19	13	16	7
Workforce Quality	18	17	24	0
Financial Resources	11	22	25	0
Taxation	11	19	26	1
Workforce Availability	13	16	30	0

Workforce Recruitment Challenges				
Topic	Significant Problem	Moderate Problem	Little or No Problem	Don't Know
Affordable Housing	27	13	17	4
Skills Not Adequate	15	26	18	2
Available Housing	16	17	23	5
Labor Supply Shortage	10	24	24	3
Distance to Job Site	7	11	39	4

Threats to Business Viability				
Topic	Severely Threatens	Somewhat Threatens	Little or No Threat	Don't Know
Government Regulation	25	22	12	1
Transportation Cost	14	27	18	1
Environmental Issues	16	19	24	2
Utilities/Services Cost	15	17	26	3
Workforce Quality	9	25	22	5
Workforce Cost	8	27	22	3
Local Taxes	11	17	32	1
Business Activity in your area (3 - 5 years)	6	26	27	2
Federal/State Taxes	9	20	31	1
Available land to expand	10	15	33	3
Competition	3	28	27	3
Transportation Availability	10	14	34	1
Access to Capital	9	16	33	2
Business Activity in your area (next 2 years)	6	21	32	1
Workforce Quantity	4	23	29	5
Telecommunications Cost	7	19	35	0
Lack of Available Marketing Dollars	8	14	36	3
Utilities/Services Availability	5	19	33	3
Telecommunications Availability	5	14	40	2
Product Demand	4	13	42	2
Production Process	3	10	40	7

Each section is sorted by greatest to least constraint.

## Appendix I – Alaska Marine Trades Business Survey

### Alaska Marine Trades Business Survey

#### A Business Retention and Expansion Survey

The Alaska Department of Commerce, Community, and Economic Development is conducting a business retention and expansion survey of the state's maritime business and manufacturing industry. Information compiled under this survey will be used to assess sector specific needs by business type and region.

To assure we receive strong input from the marine trades sector, the Department is extending the survey through September 15, 2012. Thank you for taking the time to complete this survey. Your feedback is important and helps prioritize work aimed at strengthening Alaska's maritime and marine business sector. This survey should only take about 10 minutes of your time. Your answers will be treated anonymously.

If you have any questions, please contact Glenn Haight, [glenn.haight@alaska.gov](mailto:glenn.haight@alaska.gov), 907-465-6144.

#### 1. Please identify the primary port/harbor (most activity, headquartered, other) and secondary port(s) where you work or do business.

	Ports/Harbors
Primary	<input type="text"/>
Secondary1	<input type="text"/>
Secondary2	<input type="text"/>
Secondary3	<input type="text"/>
Secondary4	<input type="text"/>

Please list all other locations

#### 2. How long has this business been in operation?

	Years
Year in operation	<input type="text"/>

### 3. How would you classify your business? (check all that apply)

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Boat building / repair             | <input type="checkbox"/> Financial  | <input type="checkbox"/> Marine surveyor                                       |
| <input type="checkbox"/> Boat building supplies / Chandlers | <input type="checkbox"/> Fish buyers & processors                                       | <input type="checkbox"/> Medical   |
| <input type="checkbox"/> Boat cleaning/detailing            | <input type="checkbox"/> Fishing Bait   | <input type="checkbox"/> Metal/machine shops - metalwork, fabrication, welding |
| <input type="checkbox"/> Boat lettering & graphics          | <input type="checkbox"/> Fishing Gear (includes net makers)                             | <input type="checkbox"/> Non-profit  |
| <input type="checkbox"/> Boat/gear hauling & storage        | <input type="checkbox"/> Fuel   | <input type="checkbox"/> Other federal offices                                 |
| <input type="checkbox"/> Boats for hire IFQ/charter         | <input type="checkbox"/> General Hardware   | <input type="checkbox"/> Port agent  |
| <input type="checkbox"/> Brokers (Permits/Boats/IFQ)        | <input type="checkbox"/> Glassworks   | <input type="checkbox"/> Propellers  |
| <input type="checkbox"/> Bunkering                          | <input type="checkbox"/> Government agency  | <input type="checkbox"/> Safety equipment / supplies                           |
| <input type="checkbox"/> Carpentry                          | <input type="checkbox"/> Groceries  | <input type="checkbox"/> Salvage   |
| <input type="checkbox"/> Carpeting / Interior / Upholstery  | <input type="checkbox"/> Harbormaster   | <input type="checkbox"/> Shipbuilding / repair                                 |
| <input type="checkbox"/> Cleaning (tank, boilers, bilges)   | <input type="checkbox"/> Hydraulics   | <input type="checkbox"/> Shipping  |
| <input type="checkbox"/> Commercial fishing                 | <input type="checkbox"/> Ice  | <input type="checkbox"/> Tug & barge   |
| <input type="checkbox"/> Education and training             | <input type="checkbox"/> Laundry /Bathrooms   | <input type="checkbox"/> USCG Licensed Engineer Rating                         |
| <input type="checkbox"/> Electrical repair                  | <input type="checkbox"/> Manufacture sewn products for fisheries and marine application | <input type="checkbox"/> USCG Licensed Officers (Deck)                         |
| <input type="checkbox"/> Engine repair                      | <input type="checkbox"/> Marine architecture  | <input type="checkbox"/> USCG Licensed Officers (Engineer)                     |
| <input type="checkbox"/> Engine sales                       | <input type="checkbox"/> Marine electronics & communications                            | <input type="checkbox"/> USCG Licensed Seaman Rating(Ordinary or Able Bodied)  |
| <input type="checkbox"/> Engineering                        | <input type="checkbox"/> Marine organizations / associations                            | <input type="checkbox"/> Wood repair   |
| <input type="checkbox"/> Fiberglass repair                  | <input type="checkbox"/> Marine pilot   |  |

Other (please specify)

**4. Please estimate the composition of your annual customer base as a percent of total business activity (Should total 100%).**

Commercial Fishermen	<input type="text"/>
Commercial Charter operators (eg: sport fishing or whale watching)	<input type="text"/>
Cruise Line Companies	<input type="text"/>
Government sector	<input type="text"/>
Non-resident recreation	<input type="text"/>
Resident recreation	<input type="text"/>
Timber operations	<input type="text"/>
Mining operations	<input type="text"/>
Seafood processing	<input type="text"/>
Oil & Gas operations	<input type="text"/>
Barge lines	<input type="text"/>
Other marine related businesses	<input type="text"/>
Other non-marine related businesses	<input type="text"/>

**5. Please estimate as a percentage of your annual businesses activity, the origin of your customers (Should total 100%).**

Local Resident	<input type="text"/>
Regional Resident (Not local)	<input type="text"/>
Statewide Resident (Not- local and Not - regional)	<input type="text"/>
Domestic / U.S. (Not - Alaska)	<input type="text"/>
International	<input type="text"/>

## 6. Is a lack of customers currently a problem for your business?

- ☐ Significant Problem
- ☐ Moderate Problem
- ☐ Little or No Problem
- ☐ Don't Know

Other (please specify)

## 7. Please identify your interest level in the following items.

	Very interested	Somewhat interested	Little or no interest	Do not know
Assistance identifying local customers.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Growing your business.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## 8. What are your expectations for the future of your business?

	Significant Growth	Moderate Growth	Remain the Same	Moderate Downsize	Significant Downsize	Don't Know
Overall Business Size [Current Year]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall Business Size [In 5 Years]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall Business Size [In 10 Years]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Plant / Facility Size	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employment Quantity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

### 9. Do the following areas challenge the future of your business?

	Significant Challenge	Moderate Challenge	Little or No Challenge	Don't Know
Workforce Availability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Workforce Quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fisheries Management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Taxation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Government Regulation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

### 10. What is your overall expectation regarding the following scenarios?

	Very Likely	Somewhat Likely	Not Likely	Don't Know
Operating in 1 year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Operating in 5 years	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Operating in 10 years	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

### 11. Please identify the number of employees working in your business including you and family members.

	1 - 3	4 - 10	11 - 20	21+
Full time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Part time / seasonal	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**12. List your employee type, both permanent and part time / seasonal as a percent. (Should total 100%)**

Professional / Management	<input type="text"/>
Skilled	<input type="text"/>
Semi-Skilled	<input type="text"/>
Unskilled	<input type="text"/>
Clerical	<input type="text"/>

**13. Please estimate the number of independent contractors that you employ annually.**

☐ None
 ☐ 1 - 3
 ☐ 4 - 10
 ☐ 11 - 20
 ☐ 21+

Comment here

**14. How would you rate the quality of the local labor pool as it relates to your business?**

	Very Good	Good	Fair	Poor	Don't Know
Professional/Management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Skilled	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Semi-Skilled	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Unskilled	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Clerical	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**15. Please indicate your workforce hiring status now and in the future.**

	Hiring	Stable	Downsizing	Don't Know
<b>Current</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Short - Term (&lt; 2 years)</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Long - Term (&gt; 2 Years)</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

**16. How would you rate the following potential recruitment challenges in your business?**

	Significant Problem	Moderate Problem	Little or No problem	Don't Know
<b>Labor Supply Shortage</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Skills Not Adequate</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Distance to Job Site</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Available Housing</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Affordable Housing</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

**17. Please indicate the level of threat each of these presents to the overall viability of your business.**

	Severely Threatens	Somewhat Threatens	Little or No Threat	Don't Know
Short-Term General Business Activity in your area (next 2 years)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Long-Term General Business Activity in your area (3 - 5 years)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Workforce Quantity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Workforce Quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Workforce Cost	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Competition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Utilities/Services Availability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Utilities/Services Cost	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Telecommunications Availability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Telecommunications Cost	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transportation Availability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transportation Cost	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Federal/State Taxes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Local Taxes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Government Regulation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Available land to expand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Environmental Issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of Available Marketing Dollars	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product Demand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to Capital	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Production Process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

**18. What are the three greatest challenges to your business?**

What are the three greatest challenges to your business? Greatest Challenge

Second Greatest Challenge

Third Greatest Challenge

**19. What are the three greatest challenges to your industry?**

What are the three greatest challenges to your industry? Greatest Challenge

Second Greatest Challenge

Third Greatest Challenge

## Appendix II – Verbatim Survey Responses on the Three Greatest Challenges to Your Business

Greatest Challenge	Second Greatest Challenge	Third Greatest Challenge
Capitalization/lines of credit	Affordable lease rates to expand	Skilled labor when ready to expand
Finding customers	Transportation costs	Communications costs
Family	Time	Weather
Land to expand	Money to expand and maintain infrastructure	Labor for maintenance
Providing enough space for various uses	Funds to upgrade facilities	User fees v. depreciation
Pebble Mine		
Finding clients	Paying the bills	Finding the right people
The cost of electricity	The cost of heating fuel	The cost of fuel in general
Our ages without affordable healthcare	Damage to fish stocks	Withdrawal of commercial air transportation subsidies
Government regulations for direct marketing fish	Fuel cost	Insurance cost
Government regulations	Harbor dock quality	
Fishery management	Price of fuel	Storage
Fisheries product demand	Competition among fish processors	
Market depends on the health of the economy		
Market price of salmon	Fisheries management	Environmental degradation
Personal use/subsistence allocation	State wide king salmon problems/ocean survival	Cordova harbor needs rebuild (new harbor side)
Fuel expense	Government regulations	Foreign competition
Government regulations		
Getting perishable product to market in lower 48- cost and reliable service	Excessive city tax on fish process costs	Local utility bills are very high
Land to expand	Finances to build	Focused and motivated employees
NOAA halibut regulations	NOAA halibut regulations	NOAA halibut regulations
Staying healthy	Staying healthy	Staying healthy
Fisheries regulation	Local taxation	General economy
Available projects		
Available customers	Harbor too full of vessels that don't ever move for there to be room for visitors, rude fishermen chasing off tourists, no control of the harbor	
Finding the time to do all that I am asked to do.	Shipping expenses	Availability of materials
Customers	State regulations fishing	Federal regulations fishing
Too much work not enough time spread too thin		

Greatest Challenge	Second Greatest Challenge	Third Greatest Challenge
Overhead	Limited customers	Finances
Labor	Skilled labor	Labor
Revolving debt, cost of doing business, bad debts	Building/site to do the work	Managing working capital
Government permitting regulations	Skilled labor	Utility cost
Transportation costs	Communication	Availability of qualified labor
Skilled labor	Materials shipping	
Increasing federal regulatory requirements	Overall us economic recession	Skilled labor shortage
Competition		
Fuel cost	Local govt corruption/cost	Resource management
Government regulation, permitting	Environmental lawsuits, as a business impediment goal	Restart of Alaska's Costal Zone Review Program, associated expenses
Finding funding for facilities expansion	Maintaining current facility	Keeping rates current with inflation in a public owned and operated enterprise
Offshore competition the textile markets/ie cheap china crap	Finding and retaining quality work force.	Marketing our products statewide, we have built this business one happy customer at a time.
Staying out of the red	Keeping employees	Filling the harbor
Skilled labor	Long-term committed labor force	Government regulation stability
Sustainable funding	Skilled personnel	Technology progress and keeping abreast
Available capital for maintaining existing facilities	Qualified & motivated labor force	Regulations
Stagnant economy	Fuel prices	Lack of qualified employees
Sales and income tax	Regulatory overload	
North Pacific Fisheries Management Council	NOAA enforcement	Lack of state and local support for charter fishing
Location	Skilled labor	Shipping
Maintaining a core clientele	Challenges to clients that indirectly impact me	My age
Adequate/educated/skilled labor	Fuel cost	Transportation cost
Finding available workers with the right skills.	Need administrative staff	Community awareness of economic development issues and principles
Completion of planned infrastructure to optimize opportunities	Continuous access to new, qualified local workers	Access to high value marine operators working in Alaska
High operating costs (personnel, fuel)	Stagnant revenue generation	Regulatory changes (environmental, training, safety)
Funding for capital improvements		
Weather protected work space	Lack of funds to construct a large building	
Quality of Workforce. It is hard to get imports to stay so there needs to be a focus on more in-state vocational technical training	Electricians are in short supply.	
Government regulation	Environmental regulation	
Need workers to be skilled and productive.		

Greatest Challenge	Second Greatest Challenge	Third Greatest Challenge
Need to move to a different space		
Market size	Market diversity	High cost of doing business/freight
Nome harbor expansion	Lack of skilled workforce	Increasing cost of fuel
Fuel cost	Docking availability	
Demand of too many users	Expanding at a rate equal to demand growth	Managing environmental issues in absence of state & federal agencies
Local tax structure	Limited local port infrastructure	Increased regulatory requirements/high cost
Land availability	Cost of land	Cost of transportation
Remoteness of community we are located in and related costs/challenges	Consistent work force availability	Weather and environmental risk
Small business hard to be competitive	Cost of doing business	Finding the customers
Changing times		
Rising cost of heating oil and freight	Less expendable money of customers	
Need more local jobs		
Marketing	Skilled work force	Cost of utilities, permits, transportation
Availability of skilled boat repair	Access to freezer capacity for bait storage	Lack of affordable lodging when doing boat repair in regional ports
Balance of time	Maintaining capital improvements and affordability	Weather
Skilled labor pool	Affordable housing for above	Funding for expansion
Cost and availability of parts & engines	Cost of doing business	Taxes
Available projects	Competition for projects	Skilled labor
Generating sufficient sales volume.	Controlling costs - labor and utilities	
Poor regional resource management		
Fishing quotas	Fuel cost	Good employees
Shipping costs	Not enough time in the day	
Skills training for existing employees	Locating skilled subcontractors	Inventory control
Finding enough space to expand our business	Finding the funds to expand our business	Buying the fish we need to produce our products
Decline in population	Lack of economic diversity	Bad year in fishing industry
Government regulations	Fisheries politics	Capable workforce
Funding depreciation on the facility	New capital project funding	Over lapping governmental regulations concerning Compensatory Mitigation Rule of 2008
Obtaining grants for expansion	Environmental regulations	Permitting
Motorized equipment	Petroleum	Weather
Quality of workforce	Taxes	Insurance
Finding reliable office help	Government answer before a question is asked=No	Alaskan weather, indoor space/sheltered areas
Qualified apprentices	Seasonal nature of business; inconsistent cash flow	
Clients lack of funds	Finding qualified local hire	Cheap unskilled or unqualified competition



Greatest Challenge	Second Greatest Challenge	Third Greatest Challenge
Lack of funding for public port and harbor projects	Government agencies doing all the design work--not farming it out to contractors	Lack of funding for port and harbor projects.
Health issues	Cost of doing business	Labor solutions
Hiring and paying costs associated with technician	Unknown costs due to government mandates	
Shortage of professional workforce	No younger workers taking up trade	Cost of energy
Off season cash flow (Jan.-Feb.)		
Expansion of chum salmon programs	Wilderness Area ANILCA Title 13 Lands	
Trade	Location	Shipping
Lack of private funding	Lack of government funding	Skilled management personnel
Finding someone to assist me in managing the shop	Finding capable employees	Keeping expenses and shop billing rates under control
Lower 48 economy	Harbor rate increases	
Working with various government permits		
The state is funding boat yards in Wrangell and Hoonah and as a private yard in Sitka we cannot compete with their rates		
Dollars to bring in skilled labors	Parts and supplies being shipped to us	Heated building to work year round
Qualified labor pool	Utilities/services available	Cruise ship congestion
Winter shipping expansion (Ore Ships)	Port facility expansion	Continued cruise ship stability
Land ownership	Overall economy	
Funding	Construction cost	
Cost of air travel to island	Shortage of housing for residents	High cost of living
Finding quality employees	Housing our employees	Government regulation
Economic activity in general	Government spending at all levels (local, borough, state, federal)	
Cost of Diesel	Cost of equipment	
Availability of fish	Adverse weather	Equipment repair
Alaska Department of Fish & Game	ADF&G Shellfish biologist	Economy
Lack of support of local city government	Lack of enforcement by State and Federal agencies	Under the table illegal operators competing for customers
Competition	Legal liability issues	Cost of transportation
Fuel cost	Utility costs/surcharges	Quality employees
Finding new customers	Funding construction / renovation of maritime (port) infrastructure	Attracting customers outside the region

## Appendix III – Verbatim Survey Responses on the Three Greatest Challenges to Your Industry

Greatest Challenge	Second Greatest Challenge	Third Greatest Challenge
Government regulation	Environmental regulation	Energy costs
Skilled labor	Financing expansion	Professionalism
Interest	Funding	Transportation
Distance to fish buyer	Quota share	Share split between commercial and charter
Funds	Environmental	Labor
Providing enough room for everybody safely		
Fishery regulations	Mining threats	Fishing pressure on streams
Pollution from big mining & big oil	Politics of sport fishermen	High seas fish interception
Government regulation	Harbor dock quality	
Fishery management	Cost of power	
City of Cordova	State and fed management of resource is under funded	
Government regulations	Foreign competition	Conflicting interests from other gear groups
Competition from farmed fish		
Bycatch and intercept by factory trawlers of salmon	Fuel costs	Getting product directly to consumers
Climate change	Climate change	Climate change
NOAA halibut regulations	NOAA halibut regulations	NOAA halibut regulations
Health of the ocean	Global warming	Availability of fuel
Fisheries regulation		
Available projects		
Lack of skilled workmen	Availability of materials	
Regulations	Cost of delivering product	Lack of customers
overly complicated regulatory environment		
Lack of skilled workforce	Lack of willing to work people	Shipping
Fuel supply	Skill Labor	
Environmental restrictions	Materials costs linked to petroleum product prices	Employees willing to do the work
Government permitting	Government regulation	Cost of fuel
Transportation costs	Available seed	Available labor
Fish prices	Competition	
Increasing federal regulatory requirements	Overall US economic recession	Skilled labor shortage
Regulations		
Resource management	Fuel cost	Capital

Greatest Challenge	Second Greatest Challenge	Third Greatest Challenge
Government regulation	Transportation costs	Time loss caused by government agencies
Getting the State and Federal government to recognize the value of funding port and harbor projects	Meeting all State and Federal regulations required for port operations	Derelict vessels, we need a cradle to grave plan for all vessels.
New EPA rules/ how to comply over time to meet water/air quality	DEC How to get the work done, pay attention to safe practices	Too much government
Staying out of the red	Keeping employees	Filling the harbor
Government regulation stability	Transportation	
Tourism bust	Harbor patrons willing to pay harbor rates	Recruiting qualified job applicants
Stagnant economy	Fuel prices	Lack of qualified employees
Sales and income tax	Regulatory overload	
Lack of a fair and equitable halibut quota	Lack of representation on NPFMC	Lack of representation on IPHC
Government regulation	Skilled labor	Market share
Poor technology / knowledge transfer	Low level of government commitment to modern, value maximizing development / management policy in fisheries	Ill conceived environmental activism
Labor	Transportation cost	Updated/competitive procedures
Establish adequate ports and harbors in Alaska to attract more vessel homeporting	Establish a continuous supply of qualified workers	Establish globally competitive capacity for non-Jones Act vessels
High Operating Costs (Personnel, Fuel)	Continued funding (government subsidy)	Regulatory changes
Funding for capital improvements		
Cost of labor		
Coast Guard standardization of ship building standards.	A potential fish stock collapse	Domestic steel prices. A healthy US steel industry would be helpful.
Competition	Lack of skilled & reliable employees	Increasing extreme weather conditions
Fuel costs	Port availability	
Available funding for expansion	Managing operating costs vs user fees	Managing maintenance costs
increasing high resale inventory costs		
affordable taxable housing for low income	Fuel costs	cost and availability of land
Government regulation	Government regulation	Government regulation
Economy	Working together in industry	Too much administration time and costs
Changing times		
Large online and catalog retail outlets	Costs of product going up	People have less money to spend on products
Alcohol and drug problems		
Over regulation	Transportation	Cost of utilities
Of increasing costs of keeping up with government regulations	Transfer of harvest rights away from commercial fishing base	Lack of coordination with multiple boat repair businesses
Talent pool	Capital investment	Diversification

Greatest Challenge	Second Greatest Challenge	Third Greatest Challenge
Cost and availability of parts and engines	Cost of doing business	Taxes
Skilled Labor force	Environmental restrictions	Government regulations
Poor regional resource management		
Fishing quotas	DNR lease to my tide lands for my dock	
Shipping		
Nationwide economic uncertainty	Multi-disciplinary skills required by technical advancements	Rising raw materials costs
Unpredictable salmon runs	Unpredictable financing	Balancing labor and fish and supplies.
Federal regulations	Non-profit competition	
Government regulation	Fisheries politics	Capable workforce
Funding depreciation	Capital project funding	Mitigation Rule & Environmental specifications on new & maintenance dredging projects
Funding for expansion and maintenance	Environmental regulations	Permitting
Motorized equipment	Petroleum	weather
Workforce quality	Insurance	taxes
Skilled labor	Equipment costs and availability	Grant availability to remain competitive with lower 48
Aging workforce	Lack of qualified apprentices	
Clients lack of funds	Permitting process and time requirements	Clients ability to forecast their needs 5 years out
Lack of funding for port and harbor projects.	Lack of funding for port and harbor projects.	Lack of funding for port and harbor projects.
Regulations on halibut industry	Lack of tourist and customers	Price of fuel for boat
Technical changes and new regulations.	Training	
Government regulation	Local government apathy	
Expansion of chum salmon programs	Wilderness Area ANILCA Title 13 Lands	
Shipping	Skilled labor	Semi skilled labor
Lack of enforcement of safety regulations	Quality of instructional safety staff in ports	Workforce quality
Freezer trollers	Postal Service downsizing	Dwindling rural populations
Adequate boat haulout facility in Sitka	Fisheries issues-price and management	Workforce challenges
Lower 48 economy	Harbor rate increases	
Environmental regulations on wash water discharge		
Skilled labor	Demands of environmental requirements	Safety
Shipping growth	Port expansion	Qualified employee base
Economy	Commodity prices	
Funding	Construction cost	
Skilled workforce	Dependable air service	Cost of energy
Economic activity in general	Government spending at all levels (local, borough, state, federal)	

Greatest Challenge	Second Greatest Challenge	Third Greatest Challenge
Markets		
Availability of fish	Regulations regarding fish	Adverse weather
Farmed fishing	Environmental issues	Economy
Fuel prices	Lack of reliable marine services in the South Central area	Marine resource depletion
Outsourcing		
Need more public investment in port / harbor infrastructure	Need to market SE Alaska's maritime opportunities to businesses in the lower 48	Need an abundance of reasonably-priced electricity to help attract/retain businesses and capable employees

## Appendix IV – Category Comparison

Statistic	Marine Trades		Marine Goods Suppliers		Marine Related Businesses and Services		Marine Technical Services		Government, Non-Profit, Education and Research	
Number of Surveys	30		8		53		16		20	
Average Business Age	18.0		18.8		15.6		16.5		15.5	
Average Number of Business Activities	4.4		2.6		2.1		1.8		3.1	
Average Number of Employees										
Full-time	8.1		6.6		4.3		6.3		6.3	
Part-time	2.3		3.3		1.3		2.4		6.1	
Subcontractor	2.2		4.2		0.4		1.3		3	
Percentage of Workforce By Employee Type										
Professional	20%		18%		28%		76%		38%	
Skilled	59%		42%		37%		11%		31%	
Semi-skilled	15%		10%		21%		6%		17%	
Unskilled	3%		19%		11%		1%		7%	
Clerical	10%		12%		3%		6%		7%	
Top Three Customers										
First (% of business)	Commercial fishermen	53%	Other non-marine related businesses	24%	Commercial fishermen	24%	Government sector	26%	Commercial fishermen	31%
Second (% of business)	Resident recreation	12%	Mining operations	17%	Commercial tour and charter operators	16%	Commercial fishermen	25%	Non-marine related businesses	10.0%
Third (% of business)	Government sector	10%	Government sector	16%	Seafood processing	14%	Other non-marine related businesses	13%	Government sector	9.8%
Customer Base Location by Percent										
Local	60%		67%		26%		38%		50%	
Resident	16%		11%		14%		22%		15%	
Alaska	12%		10%		11%		22%		13%	
Domestic	11%		7%		42%		12%		19%	
International	1%		5%		8%		5%		2%	
Difficulty Finding Customers (1 = significant problem 3 = little to no problem)	2.7		2.1		2.1		2.6		2.2	
Interest in Business Growth (1 = Little or no interest, 3 = Significant interest)	2.5		2.3		2.3		2.4		2.2	
Business size expected to increase in Current Year (-2 = Significant decrease, 2 = Significant increase)	0.8		0.1		0.2		0.6		0.5	
Expected Increase in 5 Years	1.13		1.0		0.7		0.6		1.1	
Expected Increase in 10 Years	1.07		1.0		0.6		0.3		1.3	
Expected Increase in Facility Size	0.9		0.4		0.4		0.1		0.9	
Expected Increase in Employees	0.93		0.4		0.4		0.3		0.8	
Top Challenge to Business Activity	Workforce quality		Workforce quality		Government regulations		Workforce availability		Financial Resources	
Top Workforce Recruitment Challenge	Skills inadequate		Skills inadequate		Affordable housing		Skills inadequate		Affordable housing	
Top Three Threats to Business Viability										
First	Available land to expand		Workforce quality		Government regulations		Workforce quality		Transportation Cost	
Second	Workforce quality		Transportation cost		Transportation costs		Transportation cost		Access to Capital	
Third	Government regulations		Government regulation and		Environmental issues		Workforce cost and Competition (tied)		Workforce Quality	

